

## **Senator Sanders Amendment to the Budget Resolution**

Purpose: The amendment would create a deficit-neutral reserve fund to protect disabled veterans and their survivors by not enacting a chained CPI.

At the appropriate place, insert the following:

### **SEC. \_\_\_ DEFICIT-NEUTRAL RESERVE FUND FOR DISABLED VETERANS AND THEIR SURVIVORS.**

The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels and limits in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports related to protecting the benefits of disabled veterans and their survivors, which may not include a chained CPI, by the amounts provided in that legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

### **Facts on Amendment:**

- This amendment would protect the benefits of disabled veterans by not enacting a chained CPI, a cut in the formula traditionally used to determine cost-of-living-increases for veterans' benefits.
- By not adopting the chained CPI, this amendment would protect the benefits of more than 3.2 million disabled veterans; 350,000 surviving spouses and children who have lost a loved one in battle; the pensions of 310,000 extremely-low income veterans; and 9 million veterans receiving Social Security benefits.
- **VA Disability Compensation Benefits:** Veterans are generally eligible for VA disability compensation benefits if they become disabled due to injuries or illnesses sustained during, or as a result of, military service. There were 3.2 million veterans receiving these benefits in 2010. A veteran receiving VA disability compensation due to a 100 percent service-connected disability is currently entitled to receive \$33,288 a year. Under the chained CPI, a disabled veteran who started receiving these benefits at age 30 would have their benefits reduced by \$1,425 at age 45, \$2,341 at age 55 and \$3,231 at age 65.
- **VA Pension Benefits:** Veterans with low incomes who are either permanently and totally disabled, or age 65 and older, may be eligible for pension benefits if they served during a period of war. More than 310,000 veterans received VA pension benefits in 2010. The current benefit for a veteran is just \$12,256 a year. Under the chained CPI, VA pension benefits for veterans aged 65 and older living in poverty would be reduced by \$353 at age 75, \$696 at age 85 and \$1,029 at age 95.

- **VA Survivor Benefits:** The chained CPI would also cut the benefits of more than 350,000 surviving spouses and children who have lost a loved one in battle by cutting Dependency Indemnity Compensation benefits that average less than \$17,000 a year.
- **Social Security Retirement Benefits:** Social Security is one of our nation's most important programs serving veterans and their dependents and survivors. It currently pays benefits to over 9 million veterans – about 4 in 10. The average retirement benefit of a veteran receiving Social Security was about \$15,500 in 2010. Adopting the chained CPI would significantly reduce those benefits, by changing the manner in which COLAs are determined. A veteran with average earnings retiring at age 65 would get nearly a \$600 benefit cut at age 75, and a \$1,000 cut at age 85. By age 95, when Social Security benefits are probably needed the most, that veteran would face a cut of \$1,400 – a reduction of 9.2 percent.